


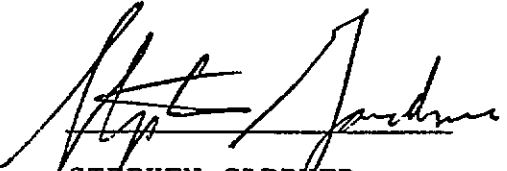
1996 EXPLORATION SUMMARY

**BINGAY CREEK COAL PROPERTY
ELK VALLEY, BRITISH COLUMBIA**

December, 1996
Signed,



WILLIAM SHENFIELD



STEPHEN GARDNER

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Location and Access

The 1996 exploration program and bulk sample site is located on Coal Licence No. 7299. The site is adjacent to the Elk Valley Forest Development Road, approximately 1000 metres north of the bridge across Bingay Creek and 20 km north of Elkford, B. C.

The nearest mine is Fording's Greenhills operation, some 20 road km to the south and east. Other mines nearby include Line Creek Resources, 39 km to the south, and Elkview Coal near Sparwood, 50 km distant.

Figure 1 shows the location of the Bingay Creek Property in relation to existing mines.

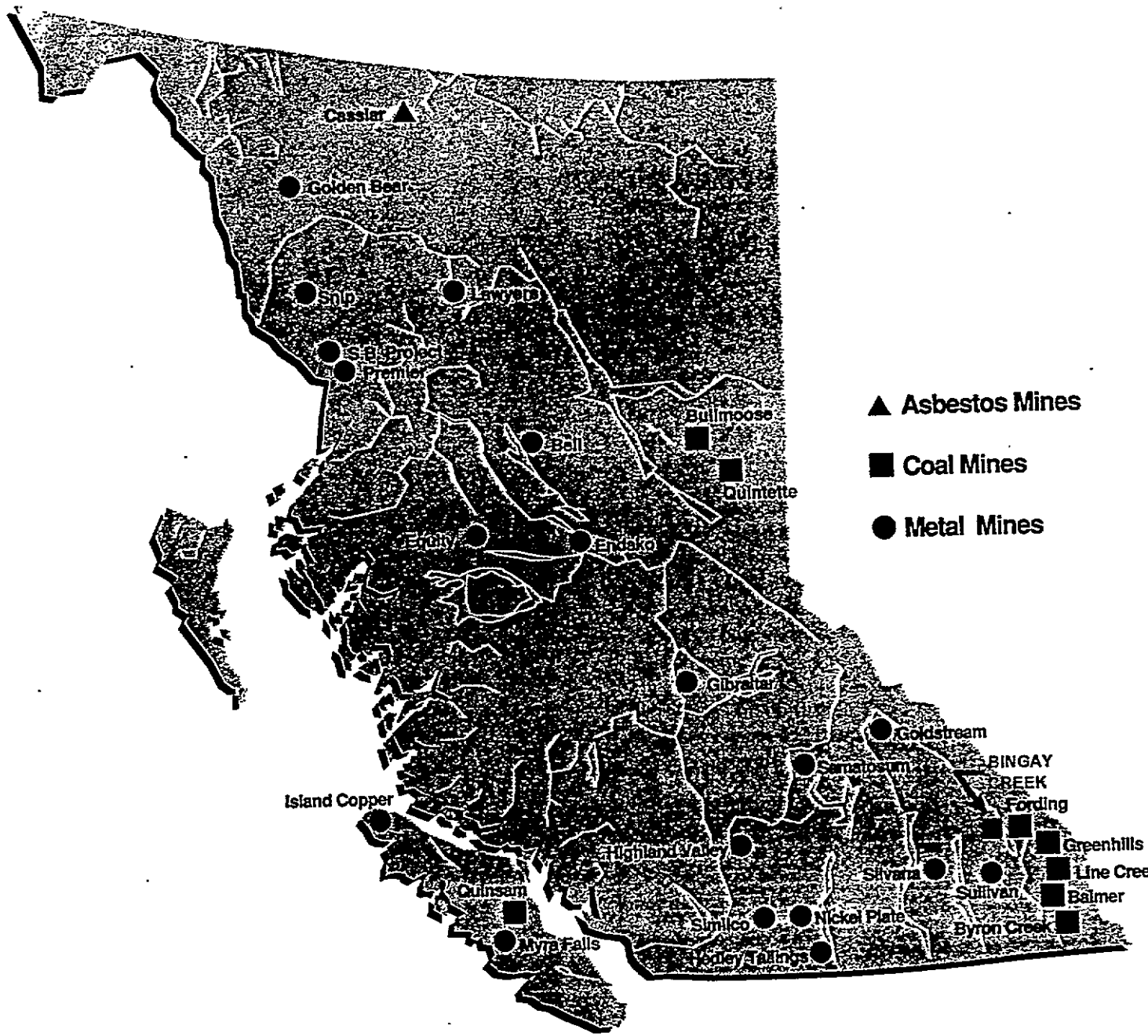


FIGURE 1 : LOCATION, BINGAY CREEK PROPERTY

Previous Work (1975-1995)

The area was first prospected by Bob and William Shenfield in the mid 1970's. Work was suspended when the B. C. Government imposed a moratorium on the issuance of new coal licences. When restrictions were lifted in 1979, the Shenfields interested Specific Natural Resources of Vancouver in acquiring the ground. Extensive hand trenching was conducted during the 1979 and 1980 field seasons, however, Specific refused to fund this work and the licences were abandoned. The licence was re-acquired by W. Shenfield in 1982. S. Gardner joined the partnership at this time and additional mapping and cat work was undertaken. In the spring of 1983, Utah Mines optioned the property and ownership of the licence area was transferred to Utah. Utah Mines undertook a diamond drill program in the fall of 1983, with surface trenching. The program identified 21 coal seams in the Mist Mountain Fm., aggregating 67 metres of coal. Approximately \$350,000 was expended by Utah during this period. Further work, however, was

postponed due to poor coal markets. In 1986 a corporate decision by Utah to withdraw from the Canadian coal business resulted in the transfer of the licences back to W. Shenfield and associates. This transfer was effective May, 1987.

In May 1988 and again in 1990, hand trenching with some excavator work was undertaken to identify potential open pit reserve areas. No further work was undertaken until the current 1996 program.

Figure 3. illustrates the surface trace of the No. 9 - 10 Seams as interpreted from the exploration work to date.

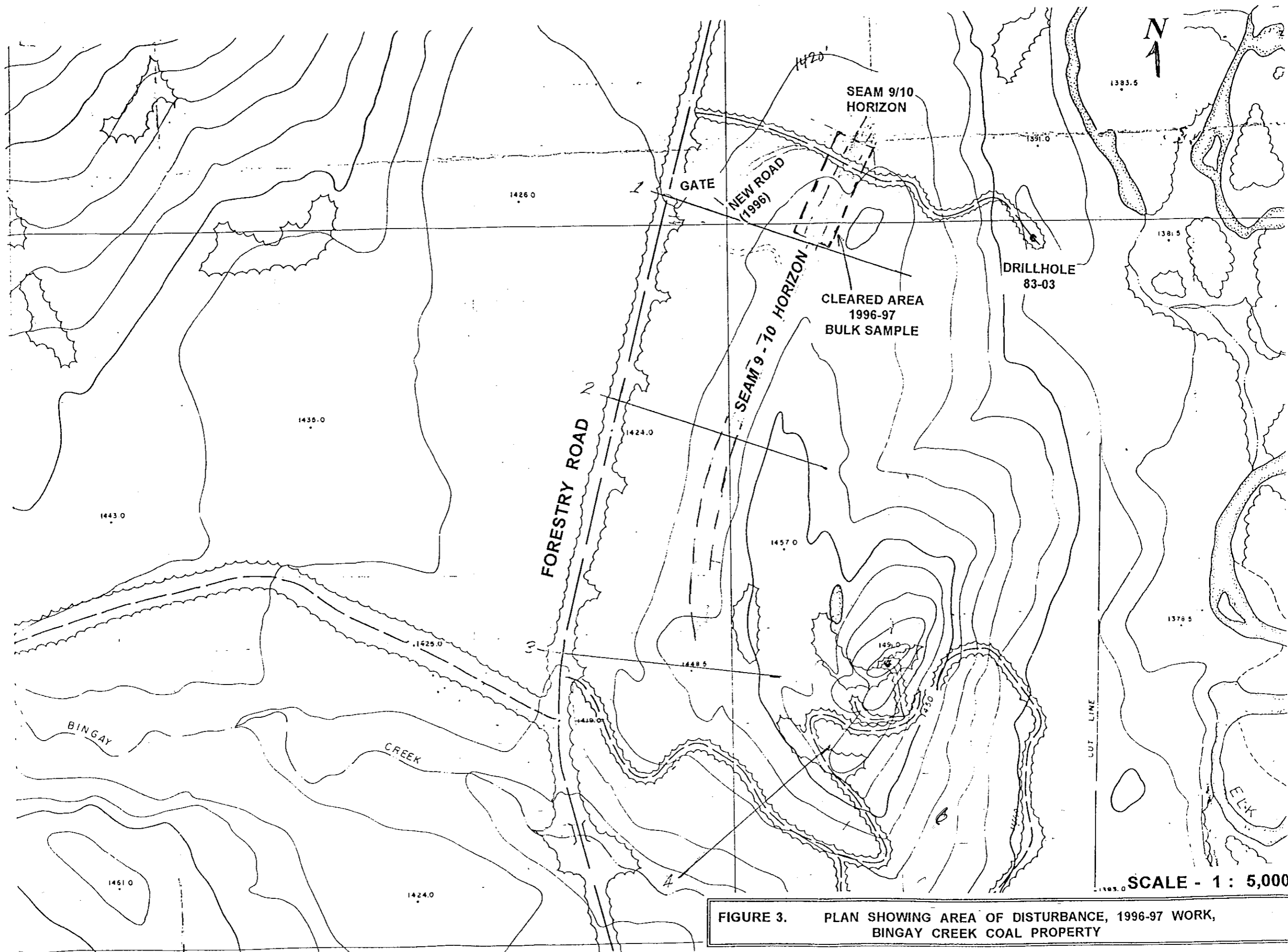


FIGURE 3. PLAN SHOWING AREA OF DISTURBANCE, 1996-97 WORK, BINGAY CREEK COAL PROPERTY

Current Work

In 1994, application for a bulk sample was made to the British Columbia Ministry of Energy, Mines & Petroleum Resources (now Ministry of Employment and Investment). This bulk sample application was approved but no work was done during the 1994 or 1995 years. In early 1996, Iron Creek Exploration Ltd. was formed by the property holders to explore for and develop the coal resources on Bingay Creek. The site was logged and cleared. Approximately 600 metres of road was upgraded on the licence area during the 1996 work to provide equipment and truck access to the selected bulk sample site. Overburden stripping of the site, including topsoil removal and storage, was completed in September and October. By late October, snow forced the suspension of work.

Figure 4. (plan and section) and Figure 5. (photographs) indicate the preparations for bulk sampling work completed to date.

Plan & Section
 1996 Pit (Mid Seam).

W.S. Oct. 21/96.

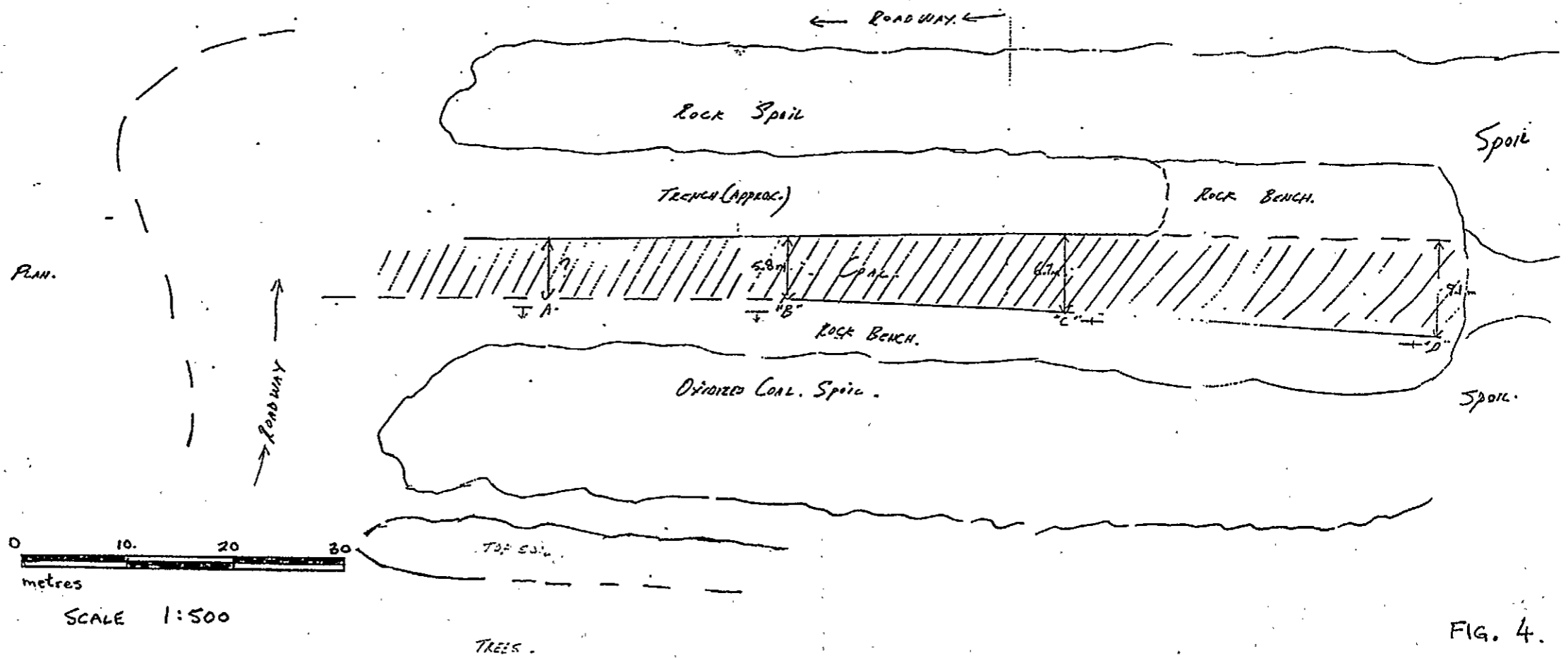
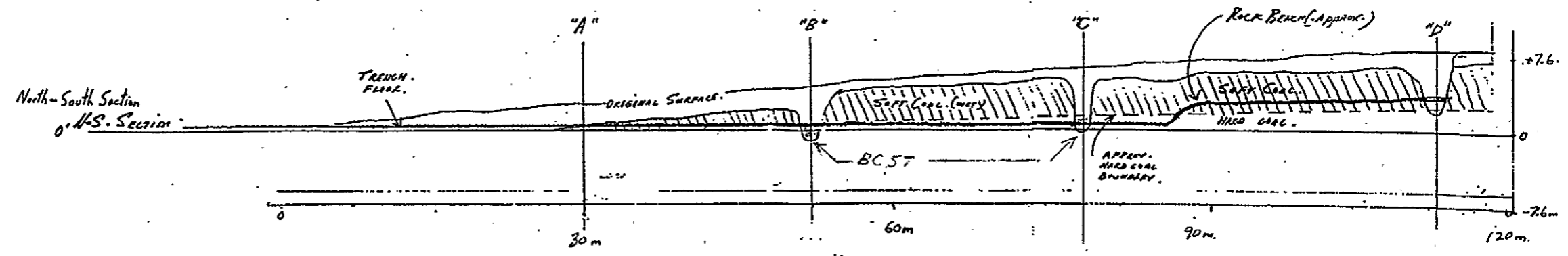


FIG. 4.



Geology and Description of the Coal Seams

The bulk sample pit is located on the west limb of the Bingay Syncline, which in this location is vertically dipping to slightly overturned to the east. Figure 6 illustrates by cross-section the attitude of the coal seams on the west limb of the syncline (refer to Figure 3. for location of sections). The pit is positioned on the No. 10 Coal Seam, which varies from 6.7 to 10.1 metres in true thickness along the length of the pit, increasing in thickness to the south. Approximately one metre of coal bloom (highly weathered coal) required removal before a competent coal seam was exposed. The coal is not highly sheared as its attitude would suggest. The coal seam is relatively free of parting material, as the channel sample analysis indicates. Figure 5 shows the location of Trench Channel Samples "B" and "C" that were taken following the excavation of the overburden.

An area approximately 0.5 ha was logged and cleared of tree growth. Approximately 2000 sq. metres of ground was stripped of topsoil and segregated for use in later reclamation work. Coal bloom was stacked on the west side of the pit. Approximately 100 metres of strike length of the No. 10 coal seam was exposed and readied for removal. A slot in the overburden on the hangingwall (east side) of the coal seam was excavated to accomodate truck movement. The glacial till and weathered shale overburden material from this excavation was stacked on the east side of the pit. Two trenches were installed across the width of the seam, spaced 30 m. apart along strike. The trenches provided access to the unweathered section of the No. 10 Seam. Two individual 40 kg channel samples were taken and shipped to Loring Laboratories for analytical work. A third trench (labelled "D") was also excavated to hard coal, but not sampled across the seam.

WEST LIMB (APPROX.)
1" = 100'

W.S. Feb. 29/90

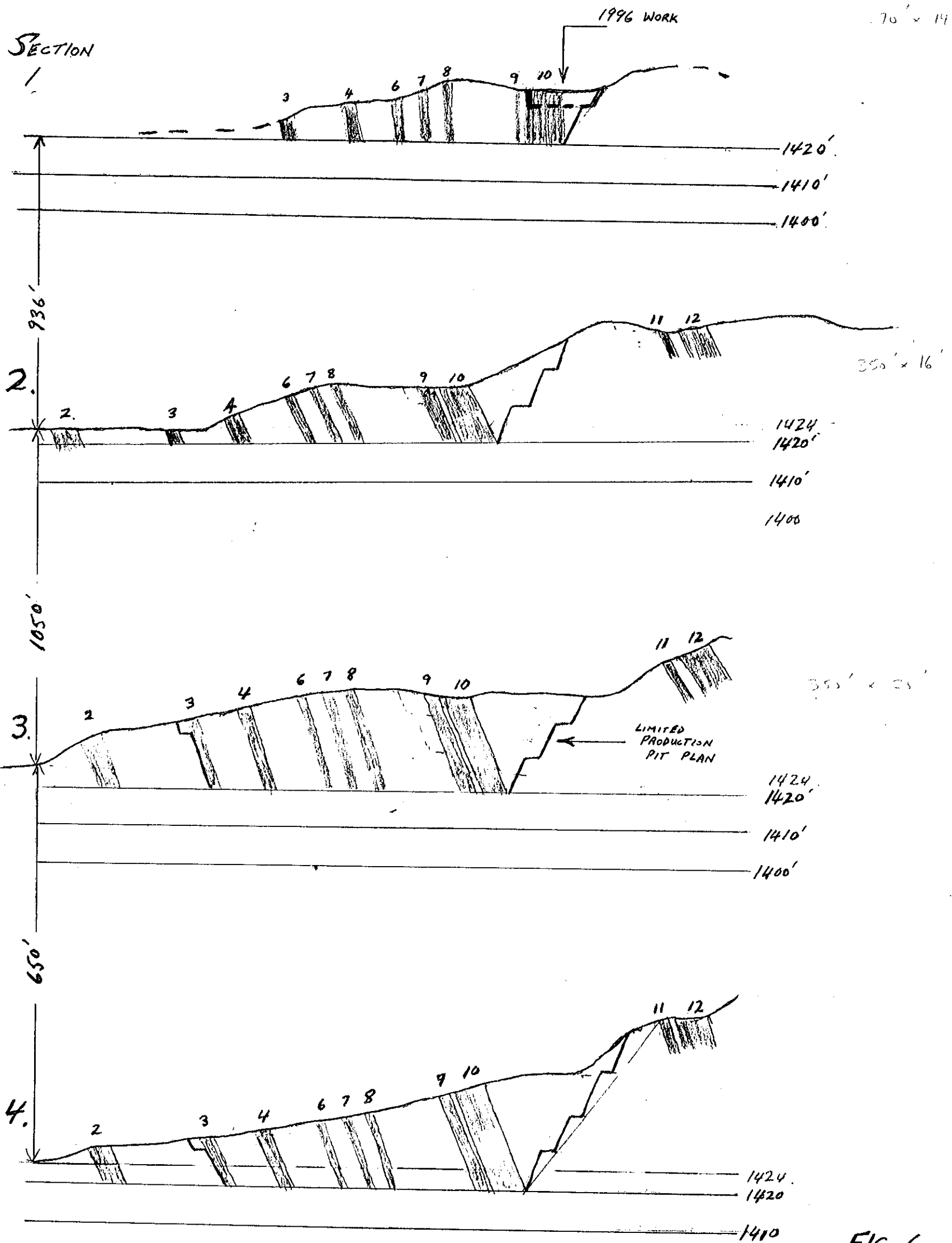


FIG. 6.

The results of Trench Samples "B" and "C" indicate that a run-of-mine coal of 20% ash and 10% moisture can be produced, with a calorific value of 6,500 Kcal/kg (11,713 Btu/lb) on a dry basis, or 5850 Kcal/kg (10,542 Btu/lb) on an as-received basis, at less than 0.30% Sulphur.

The "B" Trench indicates that the coal has coking qualities, with an F.S.I. of 2. The "C" Trench presumably is still in oxidized coal, with no F.S.I. value indicated. Sulphur values on the No. 10 seam identified in preliminary trenching work range from 0.20 to 0.26% (a.d.b.).

It is anticipated that approximately 2,000 to 3,000 tonnes of oxidized or partially oxidized coal must be produced before an accurate assessment of coking quality can be undertaken.

1997 Work Schedule and Plans

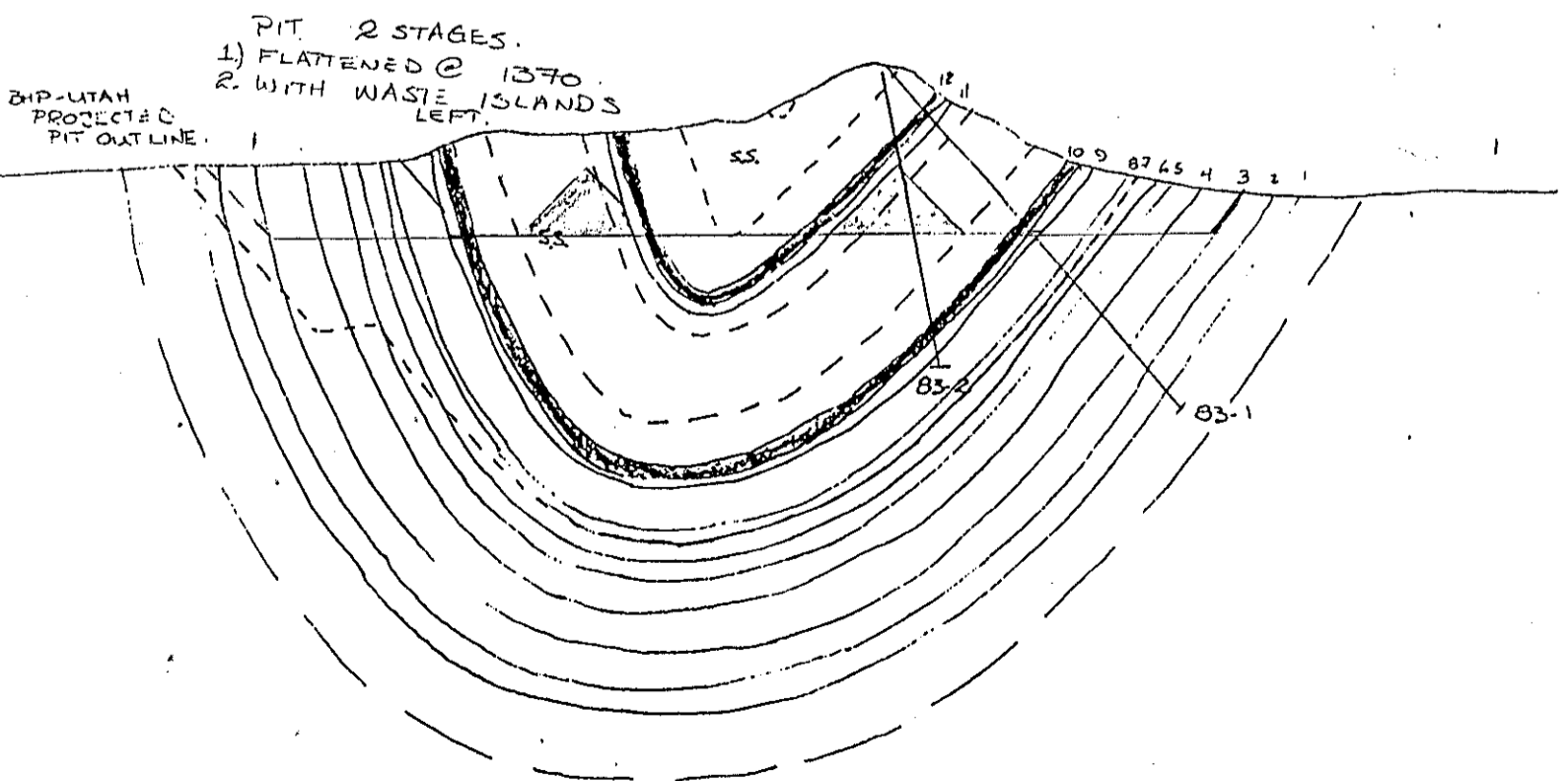
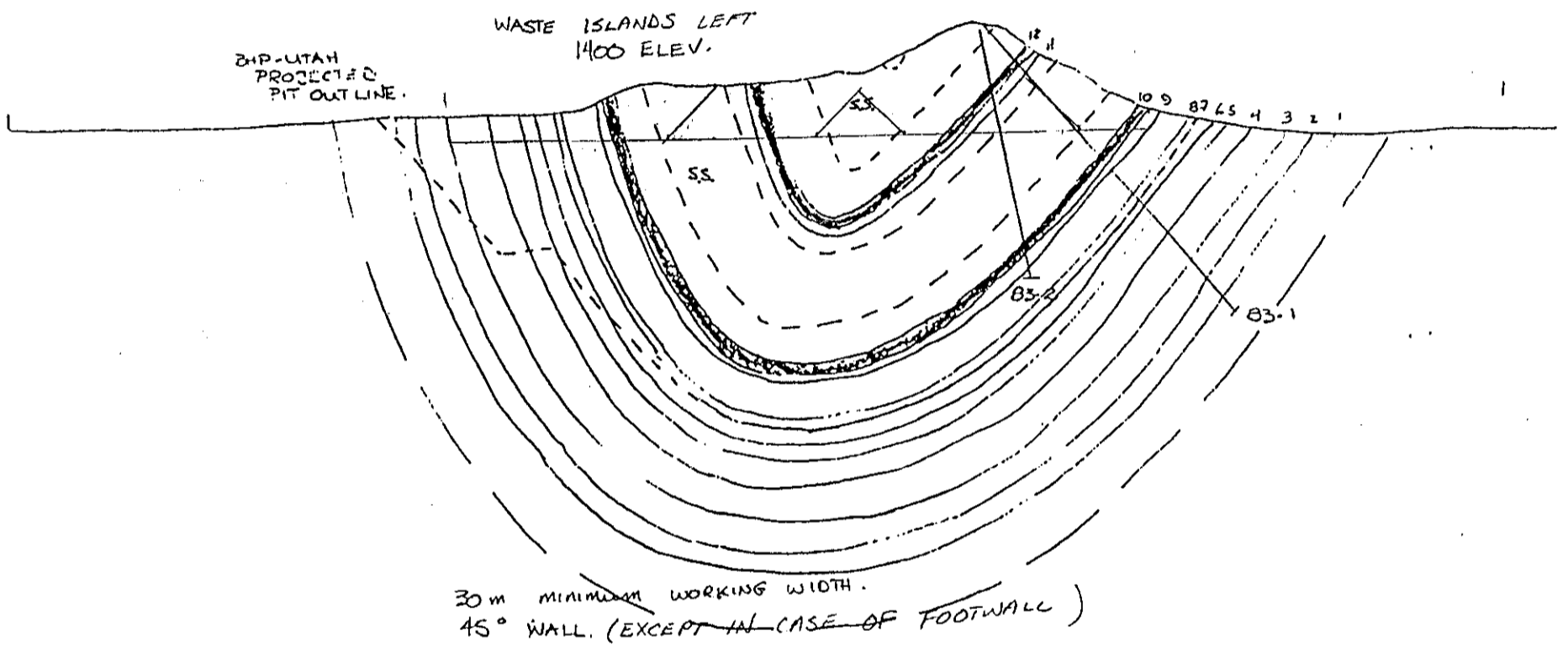
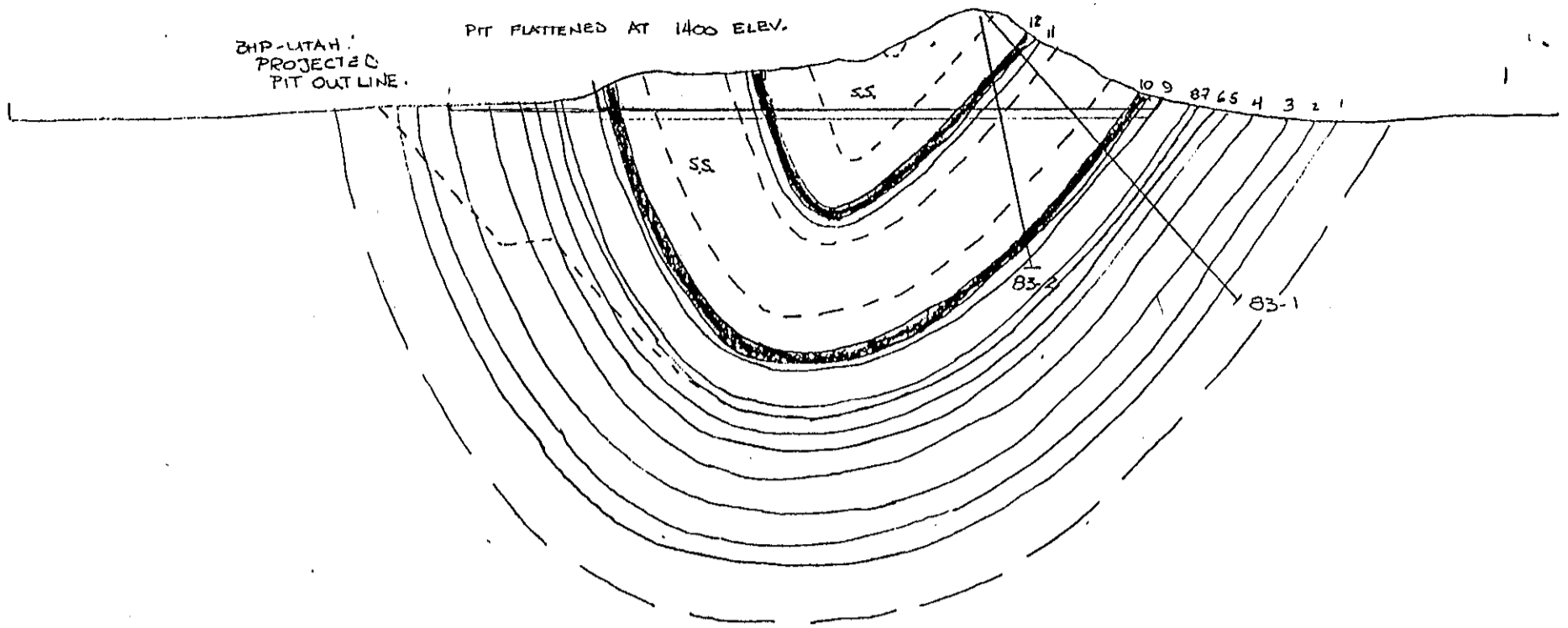
Completion of the bulk sample work is contingent on negotiating coal sales to either an existing coal preparation facility, or direct sales to a nearby industrial user. It is proposed to initiate coal deliveries during the second or third quarter of 1997. Pending the evaluation of washed coal quality or suitability for direct sales, further plans for development will include a submission of mining and reclamation plans to the Provincial Government to permit a small, seasonal open-pit operation of up to 100,000 tonnes production run-of-mine coal. Such an operation would necessarily depend on being able to sell run-of-mine coal to an existing mine in the area, or an industrial coal burning facility within reasonable transportation distance. No plans to beneficiate the coal on site are envisioned at this time. A ten year limited production mine plan will be designed. This mine plan will lay out a limited pit area on the west limb of the Bingay Creek Syncline. The components of the mine plan, including waste removal and disposal, will conform to a larger concept of an ultimate pit development, should such a development be undertaken in the future. Background water quality sampling has been initiated to provide a basis for a water

management plan for the small mine scenario.

A limited production operation as described above would provide seasonal employment for up to 12 individuals. It is anticipated that mining operations would take place with small construction sized equipment including dozers, excavators and 35 or 50 tonne size trucks, operating to a maximum of 4.5 to 1 raw strip ratio, and mining the No. 3 through 12 seams on the west limb of the Bingay Syncline. For the first two to three years operations, mining would be confined only to the Seam 9 and 10 horizon. Segregated piles of overburden would be stored adjacent to pit walls to keep overburden mining costs at a low level and prevent access to pit areas. When operations expand to the other seams, the initial overburden will be re-handled to a pre-determined waste dump area west of the outcrop limit of the lowest seam in the sequence.

Figure 7. illustrates the ultimate pit design that governs the layout of the limited production mine plan which will be submitted to the Ministry of Employment and Investment pending the successful results of the bulk sample work.

BINGAY CREEK
SECTION A-A
1:5000 SCALE



LORING LABORATORIES LTD.

629 Beaverdam Road N.E. Calgary, Alberta T2K 4W7

Tel : (403) 274-2777 Fax : (403) 275-0541

TO : IRON CREEK EXPLORATION
 ATTN : BILL SHENFIELD
 PROJECT :

LLL FILE # : 38632
 DATE : 14 Nov. 1996
 REPORT BY : ARNO HOOGVELD

SAMPLE TYPE : RAW COAL

P.O.#

SAMPLE ID	BASIS	%							
		H ₂ O	V.M.	ASH	F.C.	P ₂ O ₅ (in coal)	P ₂ O ₅ (in ash)	Mg/Kg	P.S.i.
"B" TRENCH (Comb.)	A.R.	5.79	24.77	10.73	58.71			28.47	
	A.D.	0.80	26.08	11.30	61.82	0.154	0.681	29.98	2.0
	Dry	-----	26.29	11.39	62.32			30.22	
"C" TRENCH (Comb.)	A.R.	12.78	22.14	9.60	55.48			25.43	
	A.D.	2.40	24.78	10.74	62.08	0.103	0.480	28.46	0
	Dry	-----	25.38	11.00	63.61			29.16	

LORING LABORATORIES LTD.

629 Beaverdam Road N.E. Calgary, Alberta. T2K 4W7

Tel: (403) 274-2777 Fax: (403) 275-0541

TO : IRON CREEK EXPLORATION

ATTN : BILL SHENFIELD

PROJECT :

LLL FILE # : 38839

DATE : 4 Feb, 1997

REPORT BY : ARNO HOOGVELD

SAMPLE TYPE : RAW COAL

P.C.#

SAMPLE ID	BASIS	----- % -----				MJ/Kg	F.S.I.
		H2O	V.M.	ASH	F.C.		
B.C. ST	A.R.	6.17	25.55	12.16	56.12	27.94	1.0
	A.D.	2.91	26.44	12.58	58.07	28.91	
	Dry	-----	27.23	12.96	59.81	29.78	

5 TONNE BULK SAMPLE FROM BOTTOM TRENCHES "B" AND "C"

LORING LABORATORIES LTD.

629 Beaverdam Road N.E. Calgary, Alberta T2K 4W7

Tel. (403) 274-2777 Fax: (403) 275-0541

TO : IRON CREEK EXPLORATION
 ATTN : BILL SHENFIELD
 PROJECT :

LLL FILE # : 3 8 8 3 9
 DATE : 4 Feb, 1997
 REPORT BY : ARNO HOOGVELD

SAMPLE TYPE : RAW COAL

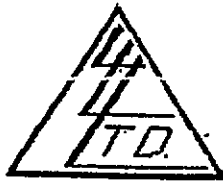
P.O.#

SAMPLE ID	BASIS	----- % -----				MJ/Kg
		H2O	V.M.	ASH	F.C.	
BC "D"	A.R.	14.41	22.22	25.31	38.06	18.21
	A.D.	8.32	23.80	27.11	40.77	19.51
	Dry	-----	25.96	29.57	44.47	21.28
<p><i>100 TONNE STOCKPILE OXIDIZED COAL FROM RE-EXCAVATION OF TRENCHES "B & C"</i></p>						

Line Creek Mine.

P.O. Box 2993.

Sparwood, B.C. V0B 2G0



Date December 12, 1990

Samples Coal BIRCHAY CR.

P.O. # R0635

ATTN: Ted Hannah

Certificate of Assay LORING LABORATORIES LTD.

SAMPLE NO.

X
S

10 SEAM - WEST LIMB

"Assay Analysis"

TR-1-1 Flt	.20
TR-1-2 Flt	.24
TR-1-3	.26
TR-2-1 Flt	.21
TR-2-2 Flt	.26

I Hereby Certify that the above results are those assays made by me upon the herein described samples....

Rejects retained one month.
Pulps retained one month
unless specific arrangements
made in advance.


Assayer